2

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE

(No Surface Use)

, 2008, by and between

day of alique +

and, <u>DALE PF</u> herelnabove n 1. In cr	ROPERTY SERVICES, L.L.C amed as Lessee, but all othe posideration of a cash bonu	2100 Ross Avenue, Suite 18 or provisions (including the comples in hand paid and the covenar	70 Dallas Texas 752	01, as Lessee. All printe	d portions of this lease wer	
described land	i, nereinarier called leased pr	emises: ORE OR LESS, BEING L TON AND FILL				к_ <i>©</i>
OUT OF THE FOX + 1 IN VOLUM	1)Cr + 15	HON BUT HING TARRAN _, PAGE	COUNTY, TEX	AS, ACCORDING T	TION, AN ADDITION O THAT CERTAIN F F TARRANT COUNT	TO THE CITY OF PLAT RECORDED
reversion, pre substances pro commercial ga- land now or hall Lessor agrees	roudced in association inert ises, as well as hydrocarbon ereafter owned by Lessor wh to execute at Lessee's requi	S, containing a purpose of exploring for, development (including geophysical/selsing gases. In addition to the above of the contiguous or adjacent the past any additional or supplements yalties hereunder, the number of	eloping, producing an mic operations). The a-described leased properties the above-described altinstruments for a mo	d marketing oil and gas, e term "gas" as used h emises, this lease also co leased premises, and, in re-complete or accurate d	erein includes hellum, cau overs accretions and any si n consideration of the afore description of the land so co	n and non hydrocarbon bon dioxide and other mall strips or parcels of mentioned cash bonus, wered. For the numose
as long therea otherwise main	fter as oil or gas or other sub ntained in effect pursuant to l	ase requiring no rentals, shall be stances covered hereby are prod he provisions hereof.	luced in paying quanti	ties from the leased prem	ises or from lands pooled t	
separated at I Lessor at the wellhead in prevailing price production, se Lessee shall in no such price the same or no more wells on are waiting on be deemed to there from is in Lessor's credit while the well is being sold t following cess, terminate this i	essee's separator facilities, wellhead or to Lessor's credit narket price then prevailing in for production of similar producting right to put then prevailing in the same it earest preceding date as the the leased pramises or lands hydraulic fracture stimulation be producing in paying quartot being sold by Lessee, the in the depository designated or wells are shut-in or production of such operations or please.	balances produced and saved he royalty shall be TARAY to the oil purchaser's transports to the same field (or if there is regarde and gravity; (b) for gas and the costs incurred by Les irchase such production at the pield, then in the nearest field in vidate on which Lessee commences pooled therewith are capable or pooled therewith are capable or the purpose of maintainen Lessee shall pay shut-in royal below, on or before the end of titlon there from is not being sold or wells on the leased premises roduction. Lessee's failure to provide the same production. Lessee's failure to premise the title of the purpose of maintainen Lessee's failure to production. Lessee's failure to premise the title of the purpose of maintainen Lessee's failure to premise the title of the purpose of the purpose of the production. Lessee's failure to premise the title of the purpose of th	ition facilities, provided tition facilities, provided to such price then prediction of such price then prediction for the prediction of the providing wellhead market in the production of the	the Lessee shall heve to valling in the same field, and gas) and all other some the sate thereof, lessessing or otherwise mark (let price paid for production evalling price) pursuant under; and (c) if at the engas or other substances there from is not being so period of 90 consecutive ten covered by this dithereafter on or before nat if this lease is otherwisk with, no shut-in royalty shall render Lessee in the sall price	a production, to be delivere he continuing right to purch then in the nearest field in substances covered hereb is a proportionate part of telling such gas or other su tion of similar quality in the to comparable purchase and of the primary term or an a covered hereby in paying old by Lessee, such well or e days such well or wells a lease, such payment to be each anniversary of the en as being maintained by ope half be due until the end of liable for the amount due,	id at Lessee's option to nase such production at n which there is such a y, the royalty shall be ad valorem taxes and batances, provided that same field (or if there is ontracts entered into on y time thereafter one or quantitles or such wells wells shall nevertheless re shut-in or production e made to Lessor or to d of sald 90-day period rations, or if production the 40-day period next but shall not operate to
be Lessor's de draft and such address known payment here. 5. Excep premises or la pursuant to the nevertheless of the end of the operations reamo cessation of there is productessee shall do (a) develop leased premise.	pository agent for receiving payments or tenders to Lesser and constitute payments or tenders to Lesser in to Lesser shall, at Lesser payments as provided for in Paragraph of the provisions of Paragraph of the provisions of Paragraph of the premises or lands pooled the primary term, or at any time sonably calculated to obtain of more than 90 consecutive cition in paying quantities from the leased premises as to fees from uncompensated drained.	this lease shall be paid or tende layments regardless of changes sor or to the depository by depository by depository by depository by a request, deliver to Lessee a pich 3, above, if Lessee drills a wealt production (whether or not in 6 or the action of any governmences operations for reworking rewith within 80 days after compact thereafter, this lease is not off or restore production therefrom, in days, and if any such operations in the leased premises or lands peleased premises or lands pool ormations then capable of producing by any well or wells located.	In the ownership of sail in the US Mails in a should liquidate or be should liquidate or be oper recordable instruit which is incapable of paying quantities) peental authority, then is an existing well or for eletion of operations on terwise being maintain his lease shall remain a result in the production determined therewith as a reas of the rewith as a reas conding augustiff or an opying quantity.	d land. All payments or te stamped envelope addre is succeeded by another in ment naming another instement naming another linst f producing in paying quarmanently ceases from a in the event this lease is critiling an additional well such dry hole or within 9 aed in force but Lessee is in force so long as any or on of oil or gas or other or completion of a well carpinably prudent operator withe leased premisi	enders may be made in curressed to the depository or it assistation, or for any reason altitution as depository agent intities (hereinafter called "cury cause, including a review of the control of the control of the control of the cause of	ency, or by check or by on the Lesson at the last fail or refuse to accept to receive payments. It have been of unit boundaries atained in force it shall or restoring production of all production. If at reworking or any other ons are prosecuted with y, as long thereafter as given any other or similar circumstances th, or (b) to protect the
additional welf- 6. Lesse depths or zone proper to do sunt formed by horizontal component to feet or more equipment; an equipment; an equipment; an experience open to the Production, do reworking open et acreage of Lessee. Pooli unit formed he prescribed or making such a lease adjusted as depth of the prescribed of the prescribed or making such a lease adjusted as designed as	s except as expressly provide ee shall have the right but no es, and as to any or all substances, and as to any or all substances in order to prudently develor such pooling for an oil well spacing of the terms of well spacing in the terms of well and given the term of t	Inditation of the collision of the collision of the obligation to pool all or any stances covered by this lease, explored por operate the leased premise which is not a horizontal complet acres plus a maximum acreage or density pattern that may be prize well's shall have the meaning nitial gas-oil ratio of less than 10 or production test conducted un detion means an oil well in which linding rights hereunder, Lessee shas anywhere on a unit which incles, except that the production or sidded in the unit bears to the to shall not exhaust Lessee's poolintraction or both, either before that authority having jurisdiction, of record a written declaration des from the unit by virtue of such of production in paying quantities if stating the date of termination.	r part of the leased prilither before or after the symmetry of the symmetry of 10%; proves of 10%; provided the proportion of 10%; provided the provided	emises or interest therein the commencement of prosent pooling authority exists to acres plus a maximum ided that a larger unit may any governmental authority are and "gas well" means conditions using standarponent of the gross complement of the growth that the growth of unit production on white manent cessation therecomments.	with any other lands or in duction, whenever Lessee with respect to such other acreage tolerance of 10%, y be formed for an oll well, y be formed for an oll well ority having jurisdiction to the governmental authority, as a well with an initial gascord lease separator facilities attorn interval in the reservation interval in the reservation interval in the reservation that be treated as if it were all the treated as if it	terests, as to any or all deems it necessary or lands or interests. The and for a gas well or a or gas well or hor gas or equivalent testing or exceeds the vertical frective date of pooling, a production, drilling or hit production which the alt production is sold by obligation to revise any acing or density pattern errimental authority. In extent any portion of the meunder shall thereafter

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage Interest in this lease, the obligation to pay or tender shut-in royalties shall be divided between Lessee or file of record a written release of this lease as

If Lessee releases all or an undivided Interest in less than all of the area covered hereby, Lessee's obligation to pay or lender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canats, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other tands during

now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations or other operations are prevented or delayed by such laws, rules, regulations or other operations are prevented or delayed by such laws, rules, regulations or other operations are prevented or delayed by such laws, rules, regulations or others, or by interesting production or other operations are prevented or delayed by such laws, rules, regulations or others, or by interesting, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to teste or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease, receives a boan feder which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon and all other pertinent terms and conditions of the offer. Lessee, for a period of fisteen days after receipt of the notice, shall be notice, than one of this lease, Lessor hereby greates to notify Lessee in writing of said offer immediately, including in the notice hash labe with perior and preferred right and

Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstending anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

By: here & heard Kill III	By: HE EN LCIMPKIN
STATE OF 16XGS	EDGMENT
This instrument was acknowledged before me on the day of by: LELUS MANAPHIN THE ONE STOLES FEED MA	request 2008,
KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 15, 2012	Notary Public, State of Sec. 15 Notary's name (printed): Notary's commission expires: 4/15/12
STATE OF	f, 2008,



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

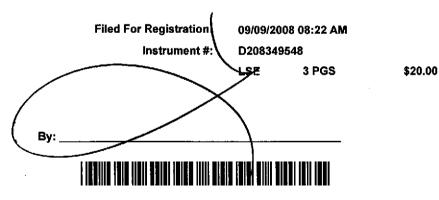
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208349548

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: MC